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Employer Update for Employers of the Maine State Retirement System, June 2012

Maine Public Employees Retirement System

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Employer Update

for Employers of Maine Public Employees Retirement System



June 2012

JUNE 2012 REPORTS - IMPORTANCE OF TIMELY REPORTING



There are certain times of the year when the timeliness of payroll reports is very critical. The June 2012 monthly payroll and group life insurance reports are on a cycle where timely reporting is essential.

Under stringent timeframes, we must provide our actuarial firm with precise, actual, annual salary data in the aggregate for the period from July 1, 2011 through June 30, 2012 for the System's annual actuarial valuation. For MainePERS to meet the required timeframes, it is vital that all payroll and group life insurance reports covering the payroll period through June 30, 2012 be received in our office no later than July 16, 2012.

Should you anticipate any delays in payroll reporting, please contact us at your earliest convenience by telephone at 1-800-451-9800 or by e-mail at employer@mainedpers.org. Please do not hesitate to contact us for assistance.

PROCESSING CHANGE: CONTRIBUTIONS TAKEN IN ERROR/CTES

MainePERS is changing how we return retirement contributions reported in error. Effective immediately, we will return contributions reported in error to employers so that employers may reimburse employees or former employees, directly. MainePERS contributions are deducted on a pre-tax basis federally and post-tax for the State of Maine. It is the tax treatment of contributions, according to external tax counsel input, that prohibits MainePERS from returning those monies directly to your employees.

If you have questions, please contact Employer Services at 1-800-451-9800 or e-mail us at employer@mainedpers.org.



TEACHER EMPLOYERS - MAINEPERS NEEDS COMPREHENSIVE CONTRACTS

Each year we ask you to provide us with copies of all collectively bargained agreements and master contracts for teacher members. This information allows MainePERS to accurately calculate benefits and answer members' questions about their benefits.

Comprehensive Contracts = group salary agreements, schedules of benefits and one-time special agreements

Teacher Members = teachers, superintendents, administrators, education technicians II and III, nurses and some secretaries



Send copies of your school's current agreements to:

e-mail: teacher@mainedpers.org **OR** Mail: MainePERS

46 State House Station
Augusta, ME 04333-0046

Questions? Contact us any weekday between 8:00 a.m. and 5:00 p.m. at 512-3100 or 1-800-451-9800.

WHEN YOUR EMPLOYEE RETIRES

Summer is the busiest time of year for processing retirements and we expect this summer to be no exception! Here is some information about the retirement process and your part in it.



Employee

- ✓ Contact MainePERS to collect a retirement benefit.
 - o We encourage employees to request an estimate between 12 and 6 months before they plan to retire and to schedule an appointment for a retirement informational session with MainePERS.
- ✓ Complete and return a Service Retirement Application, and other associated forms, to MainePERS.
 - o We recommend employees submit their retirement application 3 months before their retirement date.
 - o Service Retirement Applications are on our website www.mainepers.org; Forms, Retirement Benefits.

Employer

Once your employee submits a Service Retirement Application to us, we contact you by e-mail asking you to complete the following forms:

- ✓ Vacation and Sick Leave Reporting Form - This form provides us with information on your employee's final pay as well as unused vacation or sick time, if applicable. The information on this form helps us determine the exact benefit due your employee. Submit the completed Vacation/Sick Leave Form to us as soon as possible after the employee's termination date – but, never before.
- ✓ Teacher and PLD employers are asked to complete a Personnel Status Change Form.

When your employee retires, you can find the required employer forms in Employer Self Service (ESS). Please contact MainePERS with questions by calling 1-800-451-9800 or e-mailing retirement.services@mainepers.org.

EMPLOYER REPORTING WORKING GROUP (ERWG) WANTS **YOU!**



MainePERS Employer Reporting Working Group is adding several more employer representatives to its current membership. Comprised of representatives from Teacher and Participating Local District employers, the Employer Reporting Working Group members serve in an advisory and consulting role in determining and/or developing employer training needs, reporting documentation review and offering feedback. The group meets several times yearly at MainePERS in Augusta. If you are interested in joining us, please e-mail us at employer@mainepers.org.

LOST EARNINGS COSTS

Over the past few years, many employees' earnable compensation has been reduced by furlough and shut-down days and unpaid longevity and merit increases. The law provides that these "lost earnings" be included in employees' retirement benefit calculations, when it is beneficial to do so. To include the earnings, retiring employees must pay the associated MainePERS contributions. To assure all earnings and contributions are accounted for, this must be done before the final benefit calculation. As a result, retirees are receiving a preliminary (estimated) benefit for longer than usual.

In the majority of cases, MainePERS staff is able to determine the amount of earnings lost and the associated contributions without help from the employer. However, in more complicated cases, we must call on payroll personnel for assistance, to assure accuracy.

MainePERS staff appreciates the diligence and responsiveness of our payroll contacts regarding these requests. We know you are busy and, because of the volume of retirements we are processing, the information we ask for is sometimes from many months ago. We know, too, how seriously you take your responsibility for providing timely and accurate information, especially when it has such a direct impact on your former employees' retirement benefits. On behalf of our retirees and staff, thank you!